



116 UNION AVENUE λ SNOHOMISH, WASHINGTON 98290 λ TEL (360) 568-3115 FAX (360) 568-1375

BUDGET AND PLANNING WORKSHOP

SNOHOMISH CITY COUNCIL

TUESDAY
August 23, 2016
5:00 p.m.

AGENDA

- | | | | |
|------|----|--|---|
| 5:00 | 1. | Welcome and Agenda Overview | Larry Bauman |
| 5:10 | 2. | Review Current and Projected Financials <ul style="list-style-type: none"> • 2016 Year-end Projected Revenues, Expenditures and Fund Balances (Attachment A, <i>P. 9</i>) • 2017 Budget Guidelines (Attachment F, <i>P. 47</i>) <ul style="list-style-type: none"> ○ Personnel Forecast for 2017 <ul style="list-style-type: none"> ▪ Personnel Overview ○ Benefits Cost Issues for 2017 • 2017 Revenue, Expenditure and Fund Balance Forecast (Attachment A, <i>P. 17</i>) | Jennifer Olson |
| 6:30 | 3. | Proposed Capital Projects for 2017-2021 | Jennifer Olson, Steve Schuller, Yosh Monzaki |
| | | <ul style="list-style-type: none"> • Highlights of 2017 Capital Projects, (Attachment A, <i>P. 21</i>) • Review of Five-Year Capital Improvement Plan (Attachment C, <i>P. 35</i>) | |
| 7:15 | 4. | Staff's Key 2017 Budget Issues | Larry Bauman, John Flood, Jennifer Olson |
| | | <ul style="list-style-type: none"> • Open Government Implementation • Police Contract Scope of Services • Information Services Projects • Business Licensing • Tourism/Economic Development • Special Election Costs (unknown) • Health District Contribution request | |

Continued

- 7:50 4. **Review of Proposed 2017 Strategic Plan Action Items** **Larry Bauman**
- Management Team Strategic Plan Overview (Attachment D, P. 36)
Council Review and Discussion
- 8:10 5. **Selection and Adoption of Council Goals for 2017** **Larry Bauman**
- Review Status of 2016 City Council Goals, Management Analysis and Recommendations for 2017 (Attachment E, P. 43)
 - Establish 2017 City Council Goals
- 9:00 6. **Adjourn**

NEXT MEETINGS: Tuesday, September 6, 2016, regular meeting at 7 p.m., in the George Gilbertson Boardroom, Snohomish School District Resource Center, 1601 Avenue D.

The City Council Chambers are ADA accessible. Specialized accommodations will be provided with 5 days advanced notice. Contact the City Clerk's Office at 360-568-3115.

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BUDGET AND PLANNING 2017

Date: August 23, 2016
To: City Council
From: Larry Bauman, City Manager
Subject: City Council 2017 Budget and Planning Workshop

SUMMARY: The first objective of this workshop is for staff to provide the City Council with updated revenue and expenditure forecasts that will likely affect the 2017 Budget. Management staff will propose budget recommendations as an initial step to discussing the Council's preferred options for the 2017 Budget. The workshop is also designed to receive the Council's directions regarding how implementation of 2017 activated strategies within the City's Strategic Plan initiatives and to match those initiatives as needed with budget resources that would be needed to see them carried out during 2017. Management staff recommendations of strategic planning initiatives for 2017 (see Attachment D) will also be presented as a first step for this process. Finally, it is expected that Council will use potential budget resources and Strategic Plan priorities to determine its Annual Goals for 2017. The pages of a PowerPoint slide show serving as an overview of the retreat are also provided in Attachment A.

BACKGROUND FOR BUDGETARY DISCUSSIONS: Retail sales tax revenues, the largest revenue source of the City's General Fund, have been showing steady increases during the first seven months of 2016. However, long-term revenue challenges remain for the General Fund and will continue to require the City to limit expenditures or find alternate revenues to support existing service levels. Nevertheless, these modest improvements in sales tax revenues may permit Council to consider some budget increases above projected personnel costs for 2017. Overall, the process for developing the budget for 2017 should also be viewed within the context of the following conditions:

1. City expenditures concentrated in the General Fund budget have been the primary focus for managing budgetary impacts since the beginning of the recession in 2008;
2. The City's General Fund supported services, primarily Police, Planning, Parks, Facilities, Streets Maintenance, and general administration and finance, are those that are most challenged by the recent recessionary conditions;
3. Sales tax, the largest source of the City's General Fund revenues, are the greatest source of revenue volatility because these taxes tend to be highly sensitive to the overall health of the economy: When the economy is strong, sales tax revenues tend to be higher, and when the economy is weak they tend to be lower;
4. Some categories of ongoing General Fund expenditures, especially medical insurance premiums, jail and public defense costs, various supply and materials and outside professional services, continue to see cost increases that regularly exceed the current annual rate of inflation; and
5. Currently projected personnel costs for 2017 show that the budget would be able to accommodate the required 2.25% cost-of-living adjustments and benefit cost increases as per the 2016-2018 union contracts.

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KEY ISSUES FOR THE 2017 BUDGET: One of the embedded decisions for each year's budget is the goal amount of ending fund balance or reserve levels for all City's funds. This ending fund balance decision is particularly important for the General Fund that pays for the vast majority of non-utility services. The City's General Fund ending fund balance is the projected minimum amount of fund to remain unassigned for cash-flow purposes and unknown expenditures. The City Council established, through the newly adopted Financial Management Policy, a fund balance reserve range, currently set at 15–20 percent of General Fund expenditures. The City conservatively estimates the results of this reserve amount and manages expenditures with the eye toward minimizing budgetary spending and maintaining the actual ending fund balance at the end of each fiscal year, according to fiscal policy.

The City's Management Team met for an all-day budget preparation retreat on July 28, 2016, to discuss organizational issues, projected budget revenues and expenditures, as well as recommend approaches to resolving 2017 budget issues. The staffing and other recommendations following in this report are primarily derived from the Management Team's consensus reached at this retreat.

Staffing Levels: As a result of the preliminary review of long-term financial projections and current organizational issues, the City's Management Team recommends that the Council consider no additional full-time staff positions for the 2017 budget. One recently vacated maintenance position, allocated in the Water Utility Enterprise Fund will not be filled. Seasonal, part-time and intern staffing allocations will remain the same for 2017 (See Attachment F). Budget dollars will continue to be allocated for part-time personnel in the General Fund divisions of economic development, planning and development, and parks; as well as, other funds to include Facilities, Streets, Water, Wastewater and Storm Water. The City's collective bargaining agreements call for 2.25 percent cost of living adjustment (COLA) effective January 1, 2017.

Ending Fund Balance Target: The new Financial Management Policy adopted by Council this year established a reserve target for ending fund balance of the General Fund at 15-20 percent of expenditures. The 2016 General Fund's projected ending balance of \$1,745,196 would result in an ending balance of 21.5 percent. However, caution is urged regarding significant new expenditures for this fund in 2017 until the Council is able to complete the five-year financial plan (See Attachment G) .

Staff Budget Focus Suggestions: Staff requests that Council discuss and provide direction regarding the following budget issues to assist in developing appropriate funding recommendations for 2017:

- Open Government Implementation—among the potential budget impacts are a quarterly magazine and other communications/engagement initiatives for 2017;
- Police Contract Scope of Services - discuss and prioritize any service enhancements;
- Information Services Projects - staff will review these with Council for direction;
- Business Licensing - staff will update Council regarding the process of transferring billings for this fee-based system to the state;
- Tourism/Economic Development - strategies and opportunities for 2017 will be reviewed in context with proposed budget expenditures;

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- Special Election Costs - as it is currently unknown if special elections will be required in early 2017 to separately elect a Mayor, this expenditure area is somewhat tentative;
- Health District Contribution request - as presented to the Council at the August 16, 2016, regular meeting.

Capital Budget: Staff will present proposed capital projects for 2017 and for the full five-year Capital Improvement Plan (CIP). The proposed full five-year CIP is shown on spreadsheets provided as Attachment C. The highlights for 2017 are included in the Power Point Slides (Attachment A). The highlighted projects being proposed for 2017 include:

- **Community meeting space at the Carnegie, \$180,000**
- **Park Improvements for three riverfront parks, \$150,000**
- **Streets sidewalk repairs and pedestrian improvements, \$40,000 (\$200,000 over five years)**
- **Hal Moe preliminary design and construction cost estimate, \$150,000**

FUTURE BUDGETS AND REVENUE NEEDS: On August 2, the Countywide vote concerning the Public Safety Sales Tax ballot measure did not pass. The financial impact of the voter's decision results in no new sales tax for public safety. Snohomish County had estimated \$225,000 to be the City of Snohomish 40 percent share had the measure passed by a vote of the people.

Retail sales tax revenues have been increasing over the past two years; however, 2016 sales taxes are forecasted to be above pre-recessionary levels of \$3.7 million. While the economy remains stable, over confidence in this revenue source is risky. Other General Fund revenues include the regular property tax. For 2017, staff recommends that the City Council consider adopting the allowed one percent property tax increase which is estimated to generate approximately \$11,800 in additional revenues. See Attachment B, which provides a property tax levy amount and levy rate analysis based on the Snohomish County 2017 preliminary assessed valuation for overall City of Snohomish property. Staff will update the Council regarding the preliminary County valuation and levy information.

STRATEGIC PLAN RECOMMENDATIONS: The 2017 Budget presents additional opportunities to continue implementation of the City's Strategic Plan (Imagine Snohomish: Promoting Vitality and Preserving Character). The Management Team has reviewed the work conducted in 2014, and it has made recommendations for Council consideration for priorities to implement various strategies in 2017 (see Attachment D).

CITY COUNCIL GOAL SETTING: The final stage of the workshop is for Council to develop its 2017 Annual Goals list. This is typically focused on creating a relatively short list (half a dozen or so high priority goals) that can be achieved either with existing staff or with modest levels of new investment of City revenues. The City Council's 2016 Goals are attached for background and reference. As a number of the goals are not entirely completed or indicate the need for sustained, multi-year efforts, the Council may wish to review the current year goals to determine whether some of these should be listed again as goals for 2017. As a starting point for Council discussion and review, the 2016 City Council Goals is also attached.

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A two-phased goal setting process is proposed: first, for Councilmembers to list all potential goal ideas and second, to vote (via dots or another preferred means) to prioritize those goals and develop a final list of approximately 6-10 items. This draft list would be refined and brought back for Council review and adoption at a future meeting.

The programmatic and financial briefings planned for this workshop are designed to serve as the framework for the Council to set budget priorities and annual goals for 2017. Staff work has been under way on the budget since July, and the City Manager's Recommended 2017 Budget remains scheduled for delivery to Council by September 30, one month ahead of the deadline established under state law.

RECOMMENDATION: That the City Council REVIEW analyses and data for current revenue and expenditure projections and DIRECT staff regarding options for the Recommended 2017 Budget; and that Council also DEVELOP its 2017 Annual Goals.

ATTACHMENTS:

- A. PowerPoint Presentation
- B. 2017 Preliminary Assessed Valuation and Levy Analysis
- C. 2017-2021 Capital Budget Spreadsheets
- D. Strategic Plan Proposed Summary and Assignments for 2017
- E. City Council 2016 Annual Goals with Staff Analysis and Recommendations
- F. 2017 Preliminary Personnel Forecast
- G. General Fund 5-yr Outlook



City of Snohomish

City Council Budget Workshop

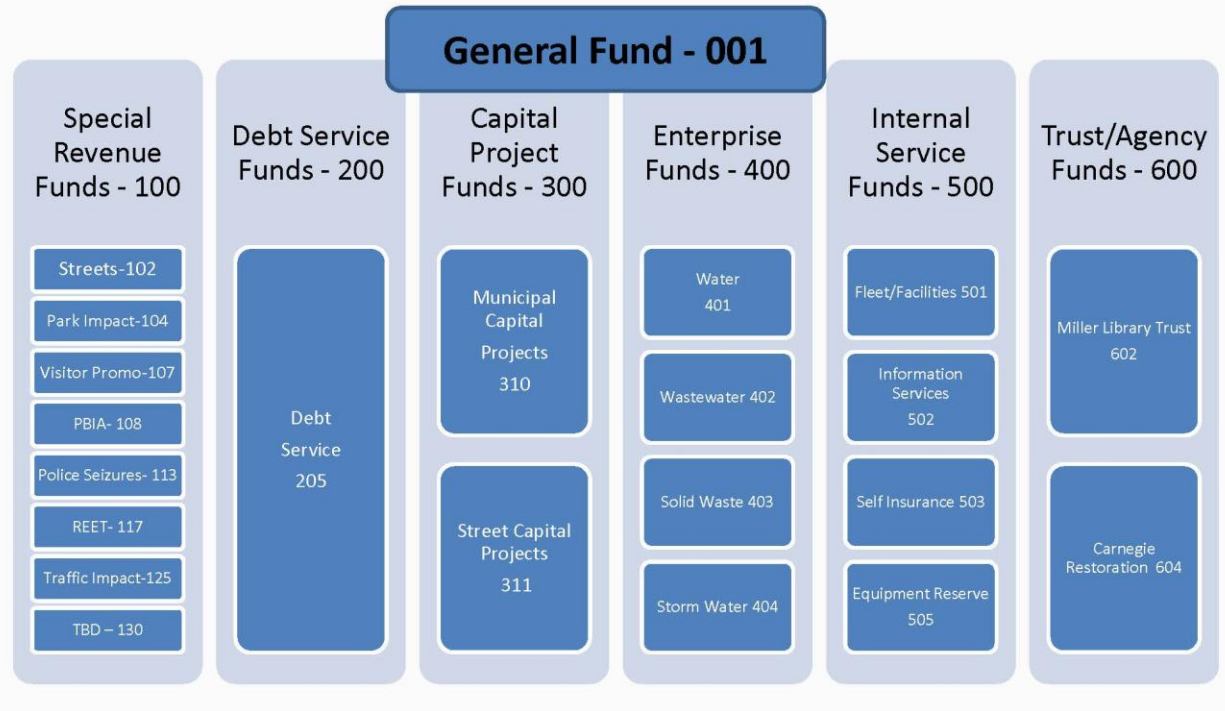
August 23, 2016

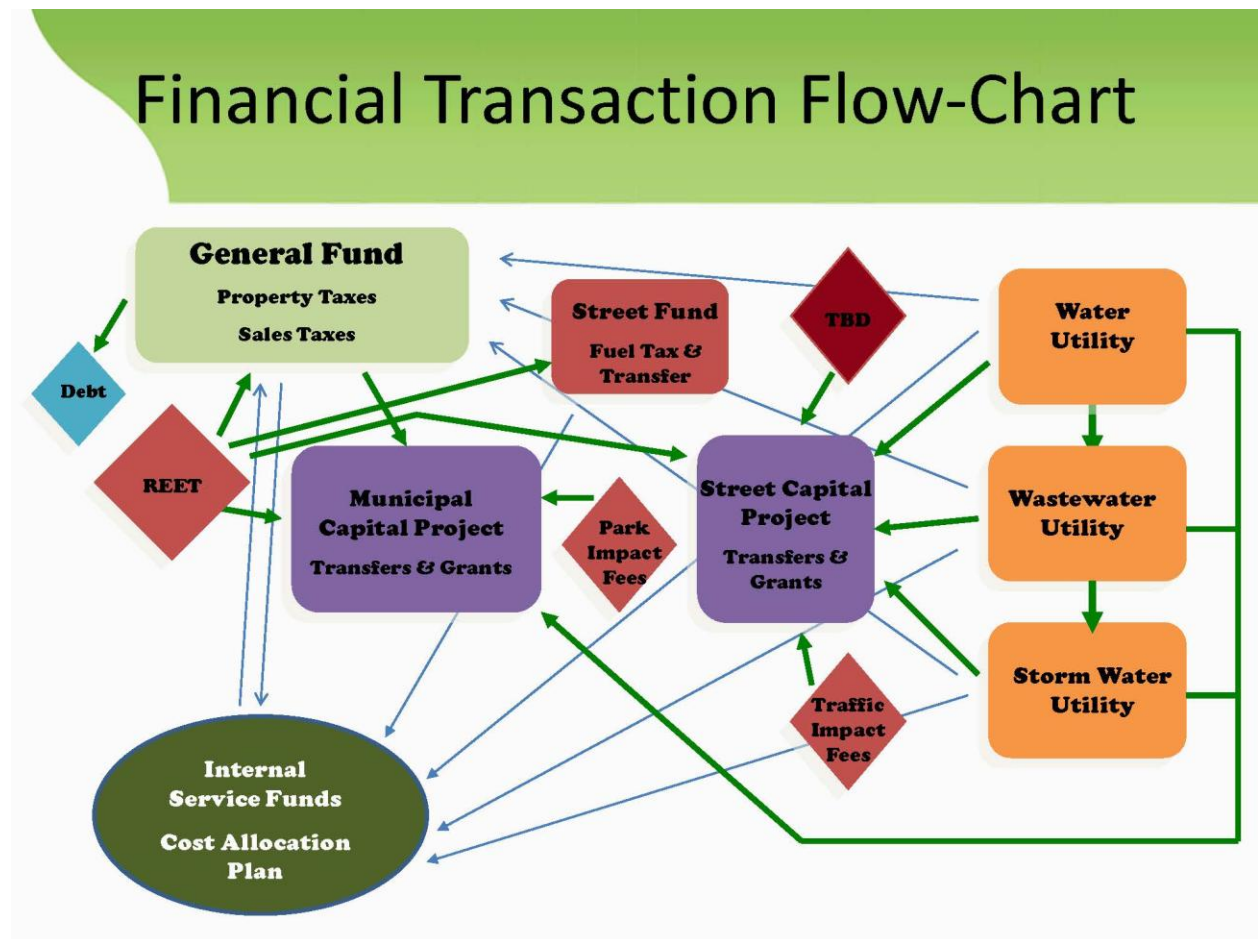
Snohomish *Washington*

Council Budget Workshop Topics

- 2016 Year-End Projection
 - Revenue, Expenditures and Fund Balance Projection
- 2017 Budget Guidelines and Limiting Factors
 - Personnel & Benefits Forecast
 - Revenue, Expenditures and Fund Balance Forecast
 - Proposed 2017-2021 Capital Improvement Plan
 - Open Government Initiatives
 - Police Contract
 - Tourism/Economic Development
 - Licensing, Elections and Special Requests
- 2017 Strategic Plan and Annual Goals
 - 2016 Strategic Plan Activities and Accomplishments
 - Council Review, Discussion and Updates
 - 2016 Goals - Status
 - Council Review, Discussion and Establish New Goals for 2017

Fund Overview – 2016





2016 Year-End Projections

- General Fund - Revenues
 - Amended Budget \$8,971,516
 - Projected Sources \$9,109,817
 - Estimated \$138,301 Over Budget
 - Primary Reason:
 - Building Permits, Liquor Profits and Facility Lease revenues



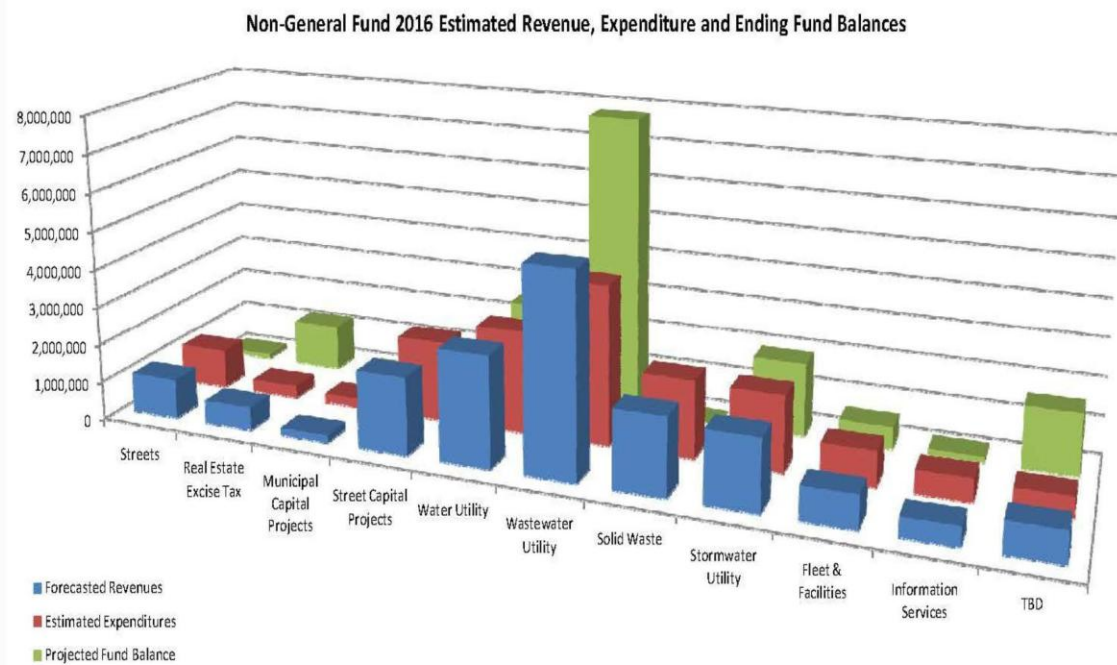
2016 Year-End Projections

- General Fund - Expenditures
 - Amended Budget \$8,821,973
 - Projected Ending Uses \$8,907,035
 - Estimated \$85,062 Over Budget
 - Primary Reason:
 - Legal Fees for Public Records Requests
 - Professional Services
 - ***Additional Budget Amendment Required***

2016 Year-End Projections

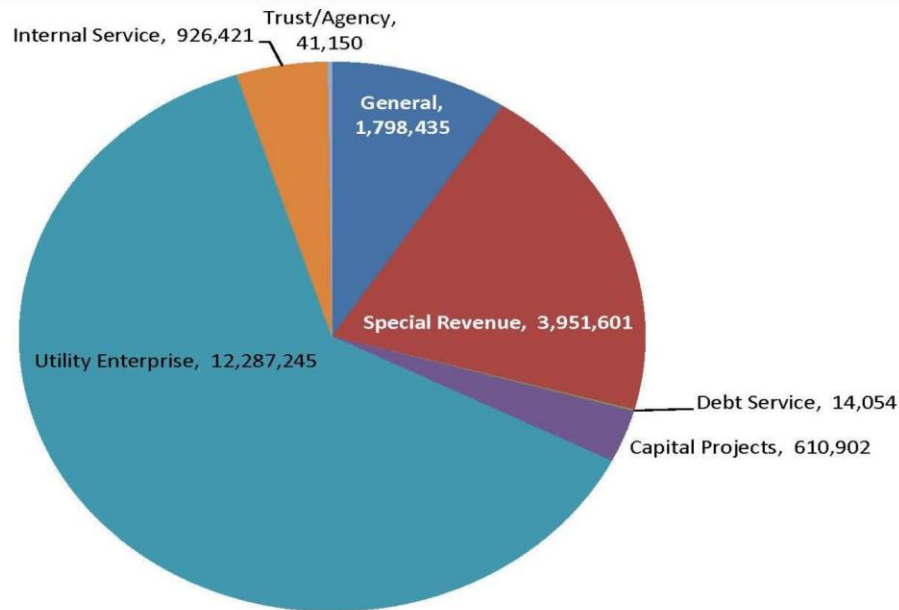
- General Fund - Fund Balance
 - Beginning Fund Balance \$1,595,653
 - Forecasted Ending Balance \$1,745,196
 - Projected Reserve Target 21.5%
 - Financial Management Policy Reserve Target Range 15% - 20%
 - Five-year financial plan to be addressed

2016 Year-End Projections



2016 Year-End Projections

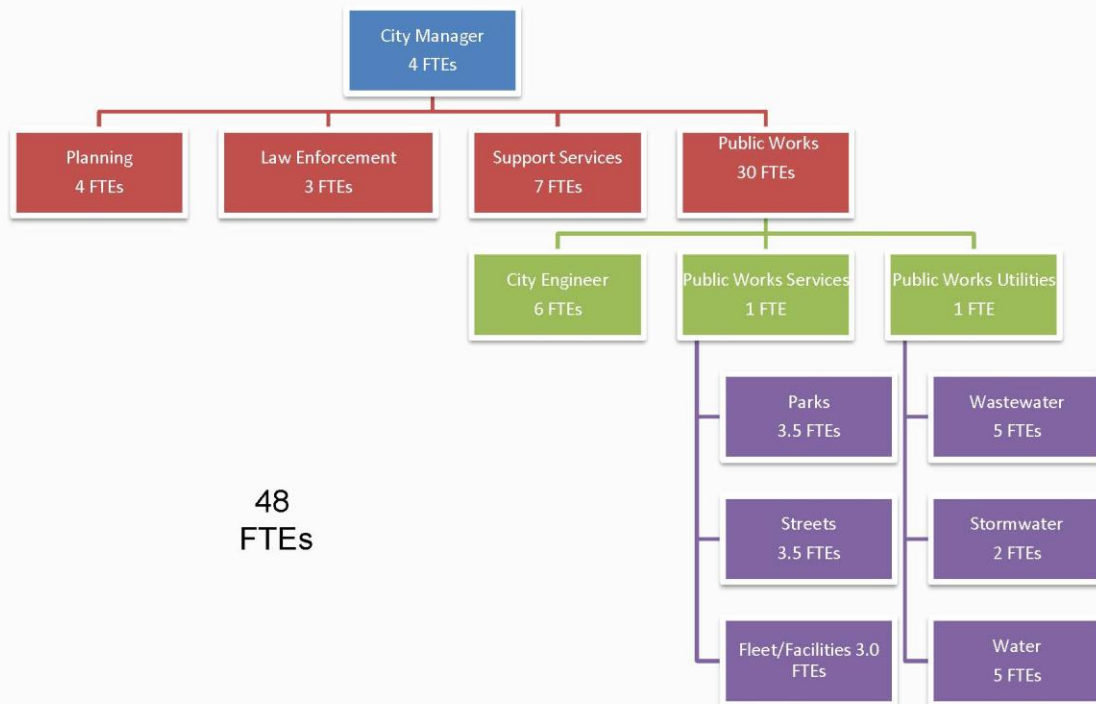
- Projected Year-End Fund Balance – By Type – Overall \$19,299,808



2017 Budget Guidelines

- **Personnel Forecast**
 - COLA – 2.25% Increase
 - Organizational Chart
 - No New Full-time Positions
 - Recent Water Plant Operator Vacancy to remain vacant
 - Current Part-Time (Temporary) Position Allocations
 - Planning & Development Services
 - Economic Development Intern
 - Streets, Parks, and Facilities
 - Water, Wastewater and Storm Water Utilities

2017 Budget Guidelines



2017 Budget Guidelines

- **Benefit Cost Issues - 2017**
 - Medical Premiums estimated to increase
 - Regence Plan participants currently pay 10% of premium
 - New for 2017 - Group Health participants to start paying 10% premium
 - AWC *Well City* Status – 2% discount

2017 Budget Guidelines

- Revenues, Expenditures and Fund Balance **Forecast**

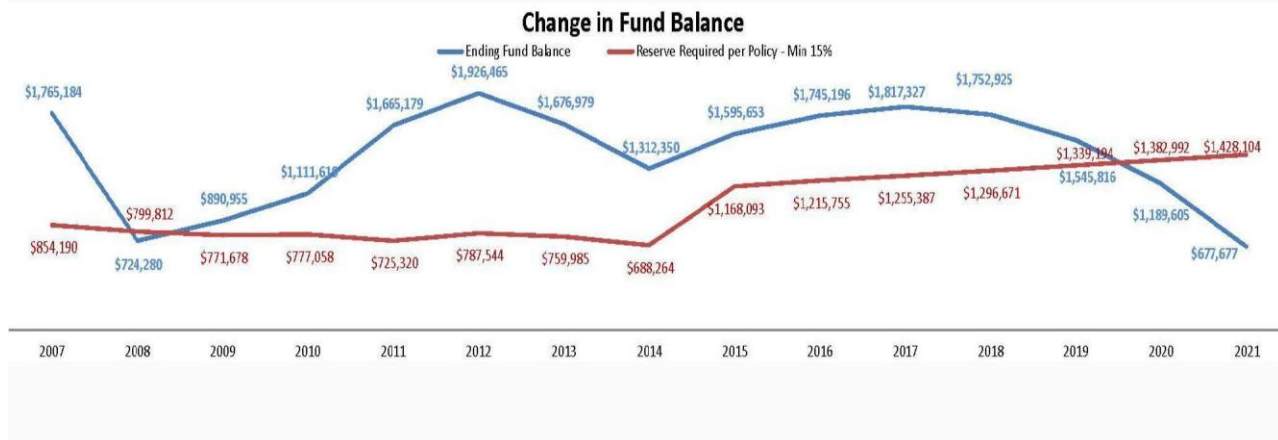
Fund	Fund Name	Estimated Beginning Fund Balance	Forecasted 2017 Revenue	Forecasted 2017 Expenditures	Estimated Ending Fund Balance
001	General	1,798,435	9,246,376	9,174,246	1,870,565
102	Streets	121,494	1,040,000	1,020,000	141,494
104	Park Impact Fee	359,949	135,000	0	494,949
107	Visitor Promotion	8,446	7,500	12,000	3,946
108	PBIA	18,795	24,000	30,000	12,795
113	Police Seizure	111,437	0	105,000	6,437
117	Real Estate Excise Tax	1,217,341	600,000	637,875	1,179,466
125	Traffic Impact Fee	492,131	348,000	122,500	717,631
205	Debt Service	14,054	63,000	63,000	14,054
310	Municipal Capital Projects	78,925	695,000	695,000	78,925
311	Street Capital Projects	231,977	1,765,000	1,765,000	231,977
401	Water Utility	2,586,613	3,015,000	3,225,000	2,376,613
402	Wastewater Utility	7,787,797	4,440,000	4,565,000	7,662,797
403	Solid Waste	3,441	500,000	500,000	3,441
404	Stormwater Utility	1,909,394	2,325,000	1,640,000	2,594,394
501	Fleet & Facilities	578,678	855,000	900,000	533,678
502	Information Services	151,872	600,000	595,000	156,872
503	Self-insurance	590	5,000	5,000	590
505	Equipment Replacement	195,281	200,000	200,000	195,281
604	Carnegie Restoration	35,387	150,000	180,000	5,387
130	TBD	1,592,008	800,000	501,000	1,891,008
Fund Totals		19,299,808	26,813,876	25,935,621	20,178,063

2017 Budget Guidelines

- Revenues, Expenditures and Fund Balance Forecast
- General Fund
 - Revenues \$9,246,376 - forecast to increase 1.5%
 - Expenditures \$9,174,246 - forecast to increase 3%
 - Forecasted increase in Ending Fund Balance
 - Five-year outlook still has structural imbalance in year five
 - Forecasted Ending Fund Balance \$1,870,565
 - Fund Balance Reserve Target 21.7%
 - Council to direct staff on use of reserves over policy target

2017 Budget Guidelines

- General Fund Reserve Projection



2017 Budget Guidelines

- Strategies for Maintaining Long-term General Fund Reserves
 - Limit or Reduce Expenditures
 - Staffing
 - Maintenance & Operating Costs
 - Authorize Additional Revenues
 - Property Tax Levy
 - Alternative Revenue Sources
 - Long-term Financial Model work to begin in late 2016

2017 Budget Guidelines

- **2017-2021 Capital Improvement Plan**

Community Meeting Space - Carnegie \$180,000

ADA Accessibility, Basic HVAC, Audio/Visual & Multi-use Furniture;
Open for full use including handicap access in 2017; Open existing asset to
community, business and city use, including Council meetings.

Parks - Riverfront \$150,000

Fencing for 20-Acres, Master Planning for Kla Ha Ya, Cady & 20-Acres.

Community Center - Hal Moe Bldg. \$150,000

Preliminary Design & Construction Cost Estimate.

Streets - Various Locations \$40,000 (\$200,000 over 5 years)

Sidewalk Repairs & Pedestrian Crossings;
\$0 for Bike Markings & Charging Stations.

2017 Budget Guidelines

- 2017-2021 Capital Improvement Plan
 - New capital budgeting format
 - Project Based Plan
 - Proposed Funding Sources Identified
 - Cash Flow scenarios for use of REET, Impact Fees and TBD sources
 - Guided by Financial Management Policy
 - Criteria and ranking methods still need to be developed and policy updated

2017 Key Budget Issues

- Open Government Initiatives
 - OGC recommendations
 - Staff to recommend quarterly magazine (maximum cost estimate \$13,500)
 - Other, miscellaneous Open Government costs not likely to exceed \$5,000

2017 Key Budget Issues

- Police Contract Scope of Services
 - *Any concerns with existing services?*
- **Potential future changes in services?**
 - Patrol Supervisors—Specialty Pay
 - Proposed annual cost: \$17,128
 - Additional Supervision—Master Patrol Deputies
 - Proposed annual cost: \$26,513
 - Additional Deputies
 - Solution #1 annual cost: (1 deputy) \$169,403 or (2 deputies) \$338,806
 - Solution #2 (schedule shift) annual cost: \$0 or same as Solution #1



2017 Key Budget Issues

- Information Services Projects
 - Open Data Portals
 - Visualization Tool from Questica at no cost for 2 years
 - Serve as a test-site
 - Records Management Policy & Plan
 - Plan needs to be developed
 - Document Storage Solution would serve as tool for centralized file system and public document portal

2017 Key Budget Issues

- Business Licensing
- Tourism/Economic Development
- Special Election (Unknown)
- Health District Contribution Request
 - Proposed \$2/per capita contribution
 - Impact of approximately \$19,000

Strategic Plan

- Establish a sustainable model for strengthening and expanding our parks, trails and public spaces
- Strengthen our foundations for connecting neighbors and enhancing our neighborhoods
- Strengthen the community's connections to our rivers
- Increase multi-modal mobility within and connections to the community

Strategic Plan

- Become more environmentally sustainable
- Cultivate local businesses and promote the City as a great place to do business
- Strengthen the City's attractiveness as a regional destination
- Invest in Snohomish's civic facilities

Strategic Plan – Goal Setting

- Review of 2016 Program & Project Priorities
 - Develop a sustainable, five-year financial plan that balances projected revenues and expenditures
 - Review and develop a new set of Financial Management policies
 - Develop a biennial budget process beginning with the 2017-2018 Budget
 - Analyze sustainable budget strategies to support parks operations
 - Collaborate with Snohomish County on the future use of the County's Public Works property on Avenue D.
 - Increase tax revenues through continued *economic development*.

Strategic Plan – Goal Setting

- Review of 2016 Program & Project Priorities (cont.)
 - Attract more living wage jobs for the community.
 - Collaborate with agencies in the region for development of rails and trails that serve Snohomish.
 - Determine preferred design options for resolving long-term water supply, and preserve the City's Pilchuck River water rights.
 - Consider private-public partnerships for land acquisition and development.
 - Create a plan for redevelopment and new uses of the Hal Moe Pool property.
 - Review and revise, as appropriate, the City's public communication and civic engagement process.

Strategic Plan – Goal Setting

- Council Goal Setting for 2017
 - Staff Proposed 2017 Goals
 - ***Establish City Council Goals and Priorities for 2017***

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ATTACHMENT B

City of Snohomish

Regular Levy and Limitation Analysis

8/12/2016

\$ 1,311,569,193 2017 Assessed Valuation (AV) from Preliminary from County Assessor

Analysis as of:

\$ 2,161,894 Highest Lawful Levy available based on 2015 Values

Levy Year	Levy Amount		AV*	City Tax Rate	Levy Limitation Factors						
					Levy Limit-Highest Lawful	101% **	5.90 Aggregate	3.60 District Aggregate	Constitutional 1%	Uses Banked Capacity	Levy Increase
2016	1,178,068		1,311,569,193	0.90	yes	yes	yes	yes	yes	no	-
2017 Options	1,178,068	100%	1,311,569,193	0.90	yes	yes	yes	yes	yes	no	-
	1,189,848	101%	1,311,569,193	0.91	yes	yes	yes	yes	yes	no	11,781
	1,201,629	102%	1,311,569,193	0.92	yes	no	yes	yes	yes	yes	23,561
	1,213,410	103%	1,311,569,193	0.93	yes	no	yes	yes	yes	yes	35,342
	1,225,190	104%	1,311,569,193	0.93	yes	no	yes	yes	yes	yes	47,123
	1,236,971	105%	1,311,569,193	0.94	yes	no	yes	yes	yes	yes	58,903
	1,248,752	106%	1,311,569,193	0.95	yes	no	yes	yes	yes	yes	70,684
	1,260,532	107%	1,311,569,193	0.96	yes	no	yes	yes	yes	yes	82,465
	1,272,313	108%	1,311,569,193	0.97	yes	no	yes	yes	yes	yes	94,245
	1,284,094	109%	1,311,569,193	0.98	yes	no	yes	yes	yes	yes	106,026
	1,295,874	110%	1,311,569,193	0.99	yes	no	yes	yes	yes	yes	117,807
	1,354,778	115%	1,311,569,193	1.03	yes	no	yes	yes	yes	yes	176,710
	1,413,681	120%	1,311,569,193	1.08	yes	no	yes	yes	yes	yes	235,614
	1,531,488	130%	1,311,569,193	1.17	yes	no	yes	yes	yes	yes	353,420
	1,649,295	140%	1,311,569,193	1.26	yes	no	yes	yes	yes	yes	471,227
	1,767,101	150%	1,311,569,193	1.35	yes	no	yes	yes	yes	yes	589,034
	1,884,908	160%	1,311,569,193	1.44	yes	no	yes	yes	yes	yes	706,841
	1,932,031	164%	1,311,569,193	1.47	yes	no	yes	yes	yes	yes	753,963
	1,943,811	165%	1,311,569,193	1.48	yes	no	yes	no	yes	yes	765,744
Highest Lawful Levy	2,161,894	183.512%	1,311,569,193	1.65	yes	no	yes	no	yes	yes	983,826

ATTACHMENT C

City of Snohomish

Capital Improvement Plan 2017-2021 by Asset Category

	2017	2018	2019	2020	2021
Buildings					
Municipal Facility					
106 - Carnegie Library	180,000	0	0	0	0
112 - Hal Moe Pool Site Redevelopment	150,000	0	0	0	0
118 - Police Station Improvements	105,000	0	0	0	0
Total: Municipal Facility	435,000	0	0	0	0
Utility Facility					
305 - Water Treatment Plant	75,000	0	0	0	0
409 - Wastewater Treatment Plant	350,000	258,125	266,514	275,176	284,119
410 - Disinfection	0	100,000	902,000	0	0
411 - FEMA Levee	0	0	0	300,000	0
412 - Filtration Upgrades	0	150,000	0	2,001,000	0
415 - Lift Station Upgrade 2	0	0	0	450,000	0
Total: Utility Facility	425,000	508,125	1,168,514	3,026,176	284,119
Total: Buildings	860,000	508,125	1,168,541	3,026,176	284,119
Other Structures					
Park					
115 - Riverfront Property Improvements	150,000	0	100,000	0	0
121 - Kila Ha Ya Park Redevelopment	0	0	0	0	20,000
924 - Fischer Park Improvements	65,000	0	0	0	0
929 - Cady Park Improvements	0	0	50,000	0	0
930 - Hill Park Improvements	40,000	0	0	0	0
Total: Park	255,000	0	150,000	0	20,000
Playground					
120 - Park Facility Replacement and Upgrades	40,000	40,000	40,000	40,000	40,000
Total: Playground	40,000	40,000	40,000	40,000	40,000
Streets					
910 - Avenue A Corridor	715,000	0	0	0	0
911 - Bickford Avenue & Weaver Way	150,000	1,000,000	0	0	0
912 - Bickford Avenue & 19th Place	0	0	0	0	187,000
915 - 2nd Street & Avenue J	0	100,000	0	0	0
916 - 2nd Street Corridor	0	50,000	70,000	990,000	0
919 - Lincoln Avenue Overlay	400,000	0	0	0	0
926 - Bickford Avenue Overlay	500,000	0	0	0	0
Total: Streets	1,765,000	1,150,000	70,000	990,000	187,000
Trails & Sidewalks					
207 - Interurban Trail Redevelopment	105,000	695,000	0	0	0
208 - Pedestrian Network (Sidewalk Repairs, School Crossing)	40,000	40,000	40,000	40,000	40,000
Total: Trails & Sidewalks	145,000	735,000	40,000	40,000	40,000
Utility Pipes					

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City of Snohomish

Capital Improvement Plan 2017-2021 by Asset Category

	2017	2018	2019	2020	2021
311 - Pilchuck Bridge Water Improvement	75,000	0	0	0	0
413 - System Repair & Replacements	350,000	361,375	373,120	385,246	397,767
414 - Rainer Force Main Replacement	0	0	0	0	500,000
505 - CSO Trunkline Connection to Lagoon	550,000	0	0	0	0
506 - CSO Separation - Annual	80,000	650,000	0	0	714,000
507 - Holly Vista Dr Replacement	0	100,000	400,000	0	0
508 - Swifty Creek Pipe Replacement	35,000	0	75,000	650,000	0
515 - Union Avenue Stormwater Impact Development	0	0	0	0	70,000
927 - Emerson Street Utility Improvement	0	540,000	0	0	0
928 - Lincoln Avenue Utility Improvement	315,000	0	0	0	0
932 - Aldercrest Water Main Extension	895,000	0	0	0	0
Total: Utility Pipes	2,300,000	1,651,375	848,120	1,035,246	1,681,767
Total: Other Structures	4,465,000	3,536,375	1,108,120	2,065,246	1,928,767
Total CIP	5,365,000	4,084,500	2,316,634	5,131,422	2,252,886

BUDGET AND PLANNING 2017

City of Snohomish

Capital Improvement Plan 2017-2021 - Non-Utility Project Funding Sources

Project *	Source of Funding	2017	2018	2019	2020	2021
106 - Carnegie Library	<i>Beginning Fund Balance</i>	35,387	23,712	42,037	60,362	78,687
	Carnegie Cash on Hand	30,000	-	-	-	-
	Total Carnegie Funds Used	30,000	-	-	-	-
	<i>Plus Annual Lease Revenues</i>	18,325	18,325	18,325	18,325	18,325
	<i>Ending Fund Balance</i>	23,712	42,037	60,362	78,687	97,012
106 - Carnegie Library 112 - Hal Moe Pool Site Redevelopment 115 - Riverfront Property Improvements 120 - Park Facility Replacement and Upgrades 121 - Kla Ha Ya Park Redevelopment 207 - Interurban Trail Redevelopment 208 - Sidewalk Improvements 915 - 2nd Street & Avenue J 924 - Fischer Park Improvements 929 - Cady Park Improvements 930 - Hill Park Improvements	<i>Beginning Fund Balance</i>	1,217,341	1,179,466	1,338,841	1,708,841	2,228,841
	REET funding	150,000	-	-	-	-
	REET funding	150,000	-	-	-	-
	REET funding	150,000	-	100,000	-	-
	REET funding	40,000	40,000	40,000	40,000	40,000
	REET funding	-	-	-	-	20,000
	REET funding	39,375	260,625	-	-	-
	REET funding	40,000	40,000	40,000	40,000	40,000
	REET funding	-	100,000	-	-	-
	REET funding	28,500	-	-	-	-
	REET funding	-	-	50,000	-	-
	REET funding	40,000	-	-	-	-
	Total REET Sources Used	637,875	440,625	230,000	80,000	100,000
	<i>Plus Annual REET Revenues</i>	600,000	600,000	600,000	600,000	600,000
	<i>Ending Fund Balance</i>	1,179,466	1,338,841	1,708,841	2,228,841	2,728,841
910 - Avenue A Corridor 919 - Lincoln Avenue Overlay 926 - Bickford Avenue Overlay 927 - Emerson Street Utility Improvement 932 - Aldercrest Water Main Extension	<i>Beginning Fund Balance</i>	1,592,008	1,891,008	2,651,008	3,451,008	4,251,008
	TBD funding	260,000	-	-	-	-
	TBD funding	60,000	-	-	-	-
	TBD funding	116,000	-	-	-	-
	TBD funding	-	40,000	-	-	-
	TBD funding	65,000	-	-	-	-
	Total TBD Sources	501,000	40,000	-	-	-
	<i>Plus TBD Sales Tax Revenues</i>	800,000	800,000	800,000	800,000	800,000
	<i>Ending Fund Balance</i>	1,891,008	2,651,008	3,451,008	4,251,008	5,051,008
910 - Avenue A Corridor 911 - Bickford Avenue & Weaver Way 912 - Bickford Avenue & 19th Place 916 - 2nd Street Corridor	<i>Beginning Fund Balance</i>	492,131	504,631	347,131	336,631	188,131
	Traffic Impact Fee funding	100,000	-	-	-	-
	Traffic Impact Fee funding	22,500	150,000	-	-	-
	Traffic Impact Fee funding	-	-	-	-	28,050
	Traffic Impact Fee funding	-	7,500	10,500	148,500	-
	Total Traffic Impact Fee Source	122,500	157,500	10,500	148,500	28,050
	<i>Plus Impact Fees Collected</i>	135,000	-	-	-	-
	<i>Ending Fund Balance</i>	504,631	347,131	336,631	188,131	160,081

**CITY OF SNOHOMISH STRATEGIC PLAN****Revised Summary of Focus & Lead Assignments: July 2016**

Initiative	Activated Strategies <i>(Bold = proposed 2016 implementation or ongoing efforts in 2016)</i>	Desired Outcomes	Management Lead
1. Establish a sustainable model for strengthening and expanding our parks, trails, and public spaces	A. Establish a sustainable funding model to maintain and expand the City's existing system.	<i>MPD ballot measure failed on 8/4/15</i> Alternative General Fund revenue options to be analyzed in 2016 as part of 5-yr. Financial Plan	Larry Bauman
	B. Work with partners to increase educational, recreational, and cultural opportunities for residents of all ages and assess the feasibility of establishing a recreation program as part of the new funding model.	<i>1. Completed a survey of residents</i> <i>2. No change recommended for recreational component or City role at this time</i> <i>3. Recommended project priorities adopted by Council resolution</i>	Larry Bauman <i>Quarterly magazine opportunity?</i>
2. Strengthen our foundations for connecting neighbors and enhancing our neighborhoods	A. Plan for parks and trails, multi-modal connections, and economic vitality within and between neighborhoods, taking a comprehensive, whole-City approach.	<i>Completed as element of 2015 Comp Plan</i>	Glen Pickus

BUDGET AND PLANNING 2017

Initiative		Activated Strategies <i>(Bold = proposed 2016 implementation or ongoing efforts in 2016)</i>	Desired Outcomes	Management Lead
		B. Create a neighborhood program that brings people together and supports community-generated projects and events. <i>(some elements proposed for 2016-2017 implementation)</i>	<i>2016: Consider placing this strategy on hold indefinitely</i> 1. Neighborhood Watch programs expand in City 2. Personal/home safety education programs provided (Fire District/City) 3. Council discussion in 2016 4. Grant programs may be created for projects in 2017 if neighborhoods organize	Larry Bauman <i>Explore new neighborhoods recently self-identified</i>
		C. Cultivate partnerships with members of our community and regional neighbors to engage and celebrate people of all ages and backgrounds	Develop plans in 2016 for 2017 implementation	Debbie Emge
3.	Strengthen the community's connections to our rivers	A. Develop a River Concept Plan that establishes a vision and planning strategies for orienting the Historic Downtown District to the Snohomish River and the Pilchuck District to the Pilchuck River.	<u>In-house</u> staff design to create alternative vision for implementation in 2016-17	Glen Pickus

BUDGET AND PLANNING 2017

Initiative		Activated Strategies <i>(Bold = proposed 2016 implementation or ongoing efforts in 2016)</i>	Desired Outcomes	Management Lead
		B. Invest in public improvements to activate and improve access to Snohomish's rivers. <i>Study non-motorized watercraft use at Cady park (Possible 2017 Council Goal?)</i>	2015 planning and permitting; 2016 completed boat launch construction; 2017 City parking project	Steve Schuller <i>Consider installing racks and/or contracting with concessionaire at Cady Park for canoes & kayaks</i>
		C. Encourage land and business owners to make improvements along Snohomish's rivers	2016-2017 implementation	Debbie Emge <i>Activate for 2017?</i>
4.	Increase multi-modal mobility within and connections to the community	A. Update the City's Transportation Plan to continue to improve multi-modal mobility.	Updated Transportation Plan incorporated in Comp Plan (completed)	Steve Schuller
		B. Work with partners to bring a strong regional approach to transportation and transit issues.	Ongoing effort to fund SR 9 improvements and upgrade Eastside Rail Corridor tracks in collaboration with regional partners	Steve Schuller
		C. Work with regional stakeholders to bring rail service and related regional trail connections to Snohomish	Promote \$10 m. state funding request for ERC track upgrades between Woodinville and Snohomish; collaborate with County on trail connection design	Larry Bauman/Steve Schuller

BUDGET AND PLANNING 2017

Initiative		Activated Strategies <i>(Bold = proposed 2016 implementation or ongoing efforts in 2016)</i>	Desired Outcomes	Management Lead
5.	Become more environmentally sustainable	A. Continue to invest in eco-friendly infrastructure through the City's Capital Improvement Program, focusing on stormwater infrastructure and investments in City facilities. <i>(some elements proposed for 2016-20176 implementation)</i>	Design of stormwater treatment features approved by DOE in 2015 for CSO facilities; construction planned for 2016; separate at least 10% of CSO lines by 2020	Steve Schuller <i>Revise (see Yosh M.)</i>
		B. Explore options to lessen the environmental impacts of the City's fleet and support the use of alternative powered vehicles by the public.	Ongoing and gradual implementation 2013-2018; develop new performance metrics in 2016 and postpone downtown electrical charging station <i>indefinitely</i>	Steve Schuller
		C. Take proactive measures for stewardship of Snohomish's rivers and Blackmans Lake.	Finalize design and environmental permitting in 2015; construction in summer 2016 (completed)	Steve Schuller

BUDGET AND PLANNING 2017

Initiative		Activated Strategies <i>(Bold = proposed 2016 implementation or ongoing efforts in 2016)</i>	Desired Outcomes	Management Lead
		D. Encourage sustainable development through the City's land use regulations. <u>(Removal of obstacles for DOE Manual)</u>	1. Greater use of low impact design features in public and private developments; Consultant work to develop gap analysis and associated Title 14 SMC amendments in 2016 2. Review Critical Areas and Clearing/Grading ordinances in 2016-2017	Glenn Pickus
		E. Encourage reduction of energy consumption by City government, builders and developers, residents, business owners, and visitors	1. Partner with PUD to convert to 100% LED Streetlights by 2018 (80% completed as of 4/7/16, 85%-90% projected by 5/30/16) <u>Completed by 2017?</u> 2. Ongoing efforts to increase City facilities energy efficiencies	Steve Schuller
6.	Cultivate local businesses and promote the City as a great place to do business	A. Update the City's Economic Development Plan in ways that enhance the business climate and strengthen the success of local businesses. <u>(Delete?)</u>	2015 completion of \$10k video production to implement marketing strategy	Debbie Emge

BUDGET AND PLANNING 2017

Initiative		Activated Strategies <i>(Bold = proposed 2016 implementation or ongoing efforts in 2016)</i>	Desired Outcomes	Management Lead
		B. Collaborate with partners to strengthen the skills and employment opportunities of Snohomish residents.	Ongoing effort to support WSU and Everett Community College buildout and expanded programs <i>(Completed?)</i>	Debbie Emge
		C. Facilitate growth and the enhancement of community character by establishing plans and ordinances that support businesses and residents in key opportunity districts.	1. 2015 Comp Plan Update completed & approval, April 2016 <i>(Completed)</i> 2. Corridor plan created for Bickford Ave. as EDC project in 2015	Glen Pickus
		D. Attract new residents and businesses by promoting Snohomish's quality of life and supportive business climate.	1. New businesses 2. Increased visitors 3. New residents	Debbie Emge
7.	Strengthen the City's attractiveness as a regional destination	A. Enhance the streetscapes of primary corridors and improve gateways, signage, and way-finding to strengthen the City's identity and invite people into the City.	2017 implementation	Glen Pickus
		B. Work with community and business partners to enhance and expand signature events in the area.	Continue working to improve quality of events 2015-2018	Debbie Emge
		C. Work with community and business partners to expand arts and cultural offerings. <i>(Create an intern program?)</i>	Ongoing effort through 2018	Debbie Emge

BUDGET AND PLANNING 2017

Initiative		Activated Strategies <i>(Bold = proposed 2016 implementation or ongoing efforts in 2016)</i>	Desired Outcomes	Management Lead
		D. Promote Snohomish's offerings to regional visitors.	1. Ongoing effort through 2018 2. Continue to partner with Snohomish County Tourism Bureau (SCTB)	Debbie Emge
		E. Work with partners to ensure the Historic Downtown is clean and attractive	1. More visitors to Snohomish 2. Continued partner with SCTB	Debbie Emge
8.	Invest in Snohomish's civic facilities	A. Sustain high-quality City services through cost-effective facilities.	1. <i>Phase 1 remodel City Hall completed Jan. 2015</i> 2. Apply funds of shared assets from drug enforcements for remodel of Police Station in 2016	Larry Bauman

Key to Abbreviations and Acronyms:

Com Plan—Comprehensive Plan
 CERT—Community Emergency Response Training
 CSO—Combined (sanitary)Sewer (and stormwater) Overflow
 DOE—(State) Department of Ecology
 EASCV—Economic Alliance Snohomish County
 EDC—(City) Economic Development Committee
 ERC—Eastside Rail Corridor
 MPD—Metropolitan Park District
 SCCIT—Snohomish County Committee on Improved Transportation
 SCTB—Snohomish County Tourism Bureau
 SR 9—State Route 9
 WFSW—Washington Fish and Game Department

Snohomish City Council Annual Goals**Staff Review of 2016 Program and Project Priorities
With Recommendations for 2017**

(Parenthetical references following each goal relate to Strategic Plan Initiatives)

Recommendation For 2017	2016 City Council Goals as Adopted	Comment
Retain for 2017	1. Develop a sustainable, five-year financial plan that balances projected revenues and expenditures <i>(Related to implementation of all Strategic Plan initiatives)</i>	Work with Council is ongoing
Completed (delete for 2017)	2. Review and develop a new set of Financial Management policies <i>(Related to implementation of all Strategic Plan initiatives)</i>	Policies adopted by Council in 2016
Delete for 2017 but consider reactivating for 2018	3. Develop a biennial budget process beginning with the 2017-2018 Budget <i>(Related to implementation of all Strategic Plan initiatives)</i>	Delayed due to ongoing work on #1.
Retain for 2017	4. Analyze sustainable budget strategies to support parks operations <i>(Related to initiative 1)</i>	Strategies not yet resolved
Delete for 2017 or combine with #1.	5. Collaborate with Snohomish County on the future use of the County's Public Works property on Avenue D. <i>(Related to Initiative 6)</i>	County not yet ready to move forward
Combine with #7.	6. Increase tax revenues through continued economic development. <i>(Related to Initiatives 6 & 7)</i>	#6 and #7 appear to be related

BUDGET AND PLANNING 2017

Combine with #6.	7. Attract more living wage jobs for the community. <i>(Related to Initiative 6)</i>	#6 and #7 appear to be related
Retain for 2017	8. Collaborate with agencies in the region for development of rails and trails that serve Snohomish. <i>(Related to Initiatives 1 & 4)</i>	Ongoing work with County on design of connections to City
Completed (delete for 2017)	9. Determine preferred design options for resolving long-term water supply, and preserve the City's Pilchuck River water rights. <i>(Supports community health and welfare)</i>	No further policy decisions at this stage
Delete for 2017	10. Consider private-public partnerships for land acquisition and development. <i>(Related to Initiatives 6 & 8)</i>	No work plan perceived
Retain for 2017	11. Create a plan for redevelopment and new uses of the Hal Moe Pool property. <i>(Related to Initiatives 1, 7 and 8)</i>	Work with Council is ongoing
Revise for 2017	12. Review and revise, as appropriate, the City's public communication and civic engagement process. <i>(Related to implementation of all Strategic Plan initiatives)</i>	Work now focused to implement this plan

BUDGET AND PLANNING 2017

ATTACHMENT F

Revised as of: 8/12/2016

2017 Personnel & Benefits	2017 Salary & Benefits	2016 Salary & Benefits	\$ Chg	% Chg
General Fund				
City Council	\$ 46,754	\$ 46,754	\$ (0)	0.0%
Administration - City Manager, HR, Clerk, ED	\$ 532,940	\$ 542,105	\$ (9,165)	-1.7%
Support Services - Finance	\$ 492,903	\$ 484,866	\$ 8,037	1.7%
Law Enforcement-Administration	\$ 255,822	\$ 250,151	\$ 5,671	2.3%
Planning & Development	\$ 332,480	\$ 337,776	\$ (5,296)	-1.6%
Building Inspections	\$ 125,278	\$ 121,198	\$ 4,080	3.4%
Parks	\$ 377,936	\$ 370,942	\$ 6,994	1.9%
Engineering	\$ 818,932	\$ 793,693	\$ 25,239	3.2%
Total General Fund	\$ 2,983,045	\$ 2,947,485	\$ 35,560	1.2%
Streets Fund				
Streets Maintenance	\$ 386,862	\$ 376,977	\$ 9,885	2.6%
Fleet/Facilities Fund				
Fleet and Facilities Maintenance	\$ 340,245	\$ 331,193	\$ 9,052	2.7%
Information Services				
Support Services-IT	\$ 258,657	\$ 254,485	\$ 4,172	1.6%
Water Fund				
Administration, Distribution & Treatment	\$ 581,390	\$ 665,986	\$ (84,596)	-12.7%
Wastewater Fund				
Administration, Collection & Treatment	\$ 581,676	\$ 569,372	\$ 12,304	2.2%
Stormwater Fund				
Administration & Maintenance	\$ 230,487	\$ 223,619	\$ 6,868	3.1%
Total All Personnel & Benefits	\$ 5,362,363	\$ 5,369,117	\$ (6,754)	-0.1%

City of Snohomish 8/15/2016

DISCUSSION ON STRATEGIES FOR BALANCING GENERAL FUND RESERVES

General Fund - Fund Balance, Revenue & Expenditure Forecast based on proposed reserve policy

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	Ending Fund Balance	Reserve Required per Policy - Min 15%	Reserve Required per Policy - Max 20%	Budgeted Revenues	Actual Revenues	Chg Actual Rev	Budgeted Expenditures	Actual Expenditures	Chg Actual Exp	Budgeted Increase (Decrease) in Fund Balance	Actual Increase (Decrease) in Fund Balance	Budgeted Operating Margin	Actual Operating Margin	Reserves based % of Expenditure (Minimum)
2007	\$ 1,765,184	\$ 854,190	\$ 676,113	\$ 7,528,070	\$ 8,541,900	8.8%	\$ 8,153,577	\$ 7,865,787	16%	\$ (625,507)	\$ 676,113	-8.3%	7.9%	22.4%
2008	\$ 724,280	\$ 799,812	\$ (1,040,904)	\$ 9,524,283	\$ 7,998,120	-6.4%	\$ 9,913,026	\$ 9,039,024	15%	\$ (388,743)	\$ (1,040,904)	-4.1%	-13.0%	8.0%
2009	\$ 890,955	\$ 771,678	\$ 166,675	\$ 8,481,813	\$ 7,716,779	-3.5%	\$ 7,923,553	\$ 7,550,104	-16%	\$ 558,260	\$ 166,675	6.6%	2.2%	11.8%
2010	\$ 1,111,619	\$ 777,058	\$ 220,664	\$ 7,845,398	\$ 7,770,584	0.7%	\$ 8,004,386	\$ 7,549,920	0%	\$ (158,988)	\$ 220,664	-2.0%	2.8%	14.7%
2011	\$ 1,665,179	\$ 725,320	\$ 553,560	\$ 7,199,682	\$ 7,253,196	-6.7%	\$ 7,342,869	\$ 6,699,636	-11%	\$ (143,187)	\$ 553,560	-2.0%	7.6%	24.9%
2012	\$ 1,926,465	\$ 787,544	\$ 261,287	\$ 7,125,674	\$ 7,875,437	8.6%	\$ 7,987,255	\$ 7,614,150	14%	\$ (861,581)	\$ 261,287	-12.1%	3.3%	25.3%
2013	\$ 1,676,979	\$ 759,985	\$ (249,486)	\$ 7,161,713	\$ 7,599,846	-3.5%	\$ 8,377,522	\$ 7,849,332	3%	\$ (1,215,809)	\$ (249,486)	-17.0%	-3.3%	21.4%
2014	\$ 1,312,350	\$ 688,264	\$ (364,629)	\$ 7,666,263	\$ 8,002,638	5.3%	\$ 8,367,806	\$ 8,367,267	7%	\$ (701,543)	\$ (364,629)	-9.2%	-4.6%	17.5%
2015	\$ 1,595,653	\$ 1,168,093	\$ 1,557,457	\$ 8,248,434	\$ 8,835,820	10.4%	\$ 8,666,771	\$ 8,552,517	2%	\$ (418,337)	\$ 283,303	-5.1%	3.2%	20.5%
2016	\$ 1,745,196	\$ 1,215,755	\$ 1,621,007	\$ 8,971,516	\$ 9,109,730	3.1%	\$ 8,821,973	\$ 8,907,035	4.1%	\$ 149,543	\$ 202,695	1.7%	2.2%	21.5%
2017	\$ 1,817,327	\$ 1,255,387	\$ 1,673,849	\$ 9,246,376	\$ 9,246,376	1.5%	\$ 9,174,246	\$ 9,174,246	3.0%	\$ 72,130	\$ 72,130	0.8%	0.8%	21.7%
2018	\$ 1,752,925	\$ 1,296,671	\$ 1,728,895	\$ 9,385,072	\$ 9,385,072	1.5%	\$ 9,449,473	\$ 9,449,473	3.0%	\$ (64,401)	\$ (64,401)	-0.7%	-0.7%	20.3%
2019	\$ 1,545,816	\$ 1,339,194	\$ 1,785,592	\$ 9,525,848	\$ 9,525,848	1.5%	\$ 9,732,958	\$ 9,732,958	3.0%	\$ (207,110)	\$ (207,110)	-2.2%	-2.2%	17.3%
2020	\$ 1,189,605	\$ 1,382,992	\$ 1,843,989	\$ 9,668,736	\$ 9,668,736	1.5%	\$ 10,024,946	\$ 10,024,946	3.0%	\$ (356,211)	\$ (356,211)	-3.7%	-3.7%	12.9%
2021	\$ 677,677	\$ 1,428,104	\$ 1,904,139	\$ 9,813,767	\$ 9,813,767	1.5%	\$ 10,325,695	\$ 10,325,695	3.0%	\$ (511,928)	\$ (511,928)	-5.2%	-5.2%	7.1%

